

## Open the door, but not just yet

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By David K. Foot

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*It's foolish to invite immigrants in to find work just as Canadian boomers' children are entering the job market, says demographer DAVID FOOT*

Governments certainly have their hands full coping with the challenges of slower population growth and aging populations.

This is clearly evident in the federal government's recent proposal to increase immigration levels. The Prime Minister, in a speech delivered to senior bureaucrats just before the opening of the important fall parliamentary session, argued that more immigrants are needed to bolster the labour force and help an economy challenged by an aging population. He also noted that more has to be done to ensure their successful integration and recognize their professional skills.

Based on these observations, Immigration Minister Joe Volpe is currently preparing a plan for cabinet that would, over five years, increase the numbers of immigrants from recent annual levels of around 235,000 to at least 1 per cent of the population -- a figure that could reach 340,000 in five years.

This is not a new policy. The Liberal government has been on record since at least its 1993 campaign Red Book, which Mr. Martin co-wrote, to favour an increase in immigration to 1 per cent of the population. Yet the annual intake has always fallen well below the target.

While it may have been demographically appropriate to raise immigration levels over the past decade as labour-force growth slowed -- a reflection of the pill-induced birth dearth of the late 1960s and 1970s --

it is not good demographic policy today.

The children of the boomers -- the so-called echo boom born over the 1980s and early 1990s -- are now starting to enter the labour force. Over the next decade, Canada's priority should be to generate jobs for this young talent already living here. Moreover, their boomer parents are not about to retire en masse to make room for them. The peak of the baby boom, born around 1960, is currently aged 45 and will not be retiring for at least another 15 to 20 years.

Certainly, some early boomers now in their mid-50s are retiring. However, these retirements tend to be in selected occupations where physical demands have always required earlier retirement (military, police, firefighters) or where union contracts have provided full pension coverage after long service (public servants, teachers, auto workers). But most boomers are not in these categories. Many are working to actively save for their retirement. This is why wealth management has become a growth area for banks and other financial institutions.

Meanwhile, the boomers' children currently in their teens and early 20s have been flooding into post-secondary education. Colleges and universities are having difficulty accommodating and finding the funding for the increasing demand in many regions of the country. These echo boomers are now just starting to graduate and enter the labour market. Will there be sufficient jobs for these up-to-date, enthusiastic new workers? Is it good policy to have them competing with ever more

immigrants who are also dominantly in their 20s and early 30s?

Canada's future is based on these new young workers, and increasing competition among them for jobs is an unnecessary, unfair and unwise policy.

People have always been mobile in their 20s and early 30s -- after completing their education and before settling down with children in school. This is as true for Canadians moving around the country as it is for immigrants moving to Canada. Young adults are attracted by the allure of vibrant cities. They love noise and action. Many leaders of smaller communities lament the loss of young talent. But asking youthful immigrants to settle in smaller and remote communities is unlikely to meet with success, since they too will want to gravitate to cities.

As always, there are specific regional and occupational shortages. The Alberta oil patch is projecting substantial manpower shortages. The construction industry worries about shortages of workers with construction skills. These specific worker shortages should be solved with a targeted strategy, such as the expansion of relevant apprenticeship programs or the global recruitment of workers in selected occupations, not with a general increase in immigration levels.

As part of a targeted strategy for recruiting immigrants, we should recognize that future immigrants will come from countries with population bulges in the high mobility ages, namely the 20s. These are not the countries of Europe, even Eastern Europe. Plummeting fertility over the past 20-plus years throughout Europe means that European countries are aging even faster than Canada. The same is true in East Asia. Japan is the most rapidly aging country in the world and the implementation of the one-

child policy in China means that it will soon experience a shortage of new young workers.

So where will Canada's future immigrants come from? Turkey is the only country in Europe with a significant population bulge in the 20s. The countries of Latin and South America are likely sources, as are the countries of South Asia. Recent inflows from India, Pakistan and Venezuela (to the oil patch) are examples of global demographic trends at work.

Labour-market shortages may develop after the echo boom finishes entering the labour market about a decade from now. Until then, Canada must focus on attracting its energetic young people into occupations most needed in the future (health care, skilled trades). Increasing immigration now will drain resources from this important mission and could lead to further resentment as these new immigrants compete with young Canadians for jobs.

Planning to increase immigration levels a decade from now when the boomers are retiring and their children are integrated into the work force makes demographic sense. Doing it now does not.

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